

## Idaho farmers & ranchers put financial management tools to work

### The Situation

Agriculture is the number one sector in Idaho's economy. In 2010 agriculture was responsible for generating \$19 billion in sales (18% of Idaho's total), 100,600 jobs (12% of Idaho's workforce), and \$6.4 billion in value added (12% of Idaho's GSP) according to an economic base analysis conducted by the University of Idaho. Agriculture plays an even stronger role in Idaho's rural communities. The economic health of Idaho depends on a healthy agricultural sector.

Agriculture is an inherently risky business. With volatile commodity markets and rising input prices, Idaho farm and ranch families are caught in a cost-price squeeze that has driven many of them out of business. It can be difficult for them to establish or maintain an economically sustainable business operation that can be passed to the next generation. Idaho farmers and ranchers need access to up-to-date farm management information and tools that will help them identify financial problems, evaluate alternatives, and develop viable business plans.

### Our Response

University of Idaho Extension Educators have provided in-depth Farm and Ranch Management Schools in an effort to help Idaho farm and ranch families increase profitability and management efficiency.

The schools were held in Burley, Pocatello, and Rexburg. The workshops targeted farm and ranch managers, however several ag lenders participated as well as some ag support businesses. The objectives of the program were to introduce producers to several decision-making tools related to their operations.



Each participant had a laptop computer to practice using the decision aid tools.

Some tools covered in the training included:

- Crop Enterprise Budgets
- Custom Rates Guide
- Machine Cost Program
- Livestock Enterprise Budgets
- Crop Lease Calculator
- Livestock Lease Calculator
- Machinery Joint Ownership Spreadsheet

### Program Outcomes

Sixty-five participants completed the Farm and Ranch Management training in 2011. Participants came from 16 counties including: Bannock, Bingham, Bonneville, Caribou, Cassia, Clark, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power,

Minidoka, and Teton Counties. Some producers came from as far away as Latah County and Utah.

An evaluation of the program provided the following data:

- When asked which tools they planned to use in the future the responses were:

Crop Enterprise Budgets	75%
Custom Rates Guide	87%
Machine Cost Program	77%
Livestock Enterprise Budgets	48%
Crop Lease Calculator	77%
Livestock Lease Worksheet	38%
Machinery Joint Ownership Worksheet	53%

- 98% of participants rated the program as very good or excellent.
- 98% said they would recommended the program to a friend.

The management of efficient farms and ranches is important to the future of Idaho agriculture. Producers were excited to be a part of an educational experience that allowed them to learn to use new management tools. Computers were provided to each producer to allow them to experience these tools first-hand during the school. The class participants left the class not only with new knowledge and use of available financial tools, but they were also able to take these tools home as the computer programs were provided on flash drives.

The University of Idaho will continue to provide important and useful educational opportunities to Idaho producers. This effort was funded in part by the USDA Risk Management Agency, in cooperation with the Idaho Barley Commission.



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